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**Appendix D-1**  
**National Dairy Promotion and Research Board**  
**Actual Income and Expenses**  
**FY 2003–2004**  
**(in \$000's)**

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|   | 2003            | 2004            |
|---|-----------------|-----------------|
| <b>Income</b>                               |                 |                 |
| Assessments                                 | \$86,149        | \$85,716        |
| Interest                                    | <u>42</u>       | <u>29</u>       |
| <b>Total Income</b>                         | <b>\$86,191</b> | <b>\$85,745</b> |
| <b>General Expenditures</b>                 |                 |                 |
| General and Administrative                  | \$3,068         | \$3,470         |
| USDA Oversight                              | <u>554</u>      | <u>659</u>      |
| <b>Total General Expenditures</b>           | <b>\$3,622</b>  | <b>\$4,129</b>  |
| <b>Program Expenditures</b>                 |                 |                 |
| Communications and Member Relations         | \$13,007        | \$11,595        |
| Domestic Marketing                          | 60,711          | 60,491          |
| Export Enhancement                          | 5,252           | 5,483           |
| Planning and Research                       | <u>4,952</u>    | <u>3,082</u>    |
| <b>Total Program Expenditures</b>           | <b>\$83,922</b> | <b>\$80,651</b> |
| Excess of Revenue (Under) Over Expenditures | (1,353)         | 965             |
| <b>Fund Balance, Beginning of Year</b>      | <b>\$6,277</b>  | <b>\$4,924</b>  |
| <b>Fund Balance, End of Year</b>            | <b>\$4,924</b>  | <b>\$5,889</b>  |

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SOURCE: Independent Auditor's Report of the National Dairy Board and USDA records.

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**Appendix D-2**  
**USDA Oversight Costs for the**  
**National Dairy Promotion and Research Board**  
**FY 2003–2004**

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|                                   | 2003                 | 2004                 |
|-----------------------------------|----------------------|----------------------|
| Salaries and Benefits             | \$294,051            | \$359,338            |
| Travel                            | 29,400               | 36,906               |
| Miscellaneous <sup>1</sup>        | 43,437               | 32,984               |
| Equipment                         | 1,177                | 6,651                |
| Printing                          | <u>3,336</u>         | <u>3,261</u>         |
| <b>USDA Oversight Total</b>       | <b>\$371,401</b>     | <b>\$439,140</b>     |
| <br><b>Independent Evaluation</b> | <br><b>\$86,308</b>  | <br><b>\$154,543</b> |
| <br><b>Total<sup>2</sup></b>      | <br><b>\$457,709</b> | <br><b>\$593,683</b> |

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<sup>1</sup> Includes overhead, transportation, rent, communications, utilities, postage, contracts, supplies, photocopying, and Office of the General Counsel costs.

<sup>2</sup> The totals for USDA expenses differ slightly from those shown in Appendix D-1 because of end-of-year estimates which are adjusted in the following fiscal year.

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Source: Monthly billings by Dairy Programs to the National Dairy Board.

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**Appendix D-3**  
**National Dairy Promotion and Research Board**  
**Approved Budgets**  
**FY 2004–2005**  
(in \$000's)

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|                                     | 2004            |               | 2005                   |
|-------------------------------------|-----------------|---------------|------------------------|
| <b>Revenues</b>                     |                 |               |                        |
| Assessments                         | \$87,060        |               | \$87,315               |
| Interest                            | <u>39</u>       |               | <u>50</u>              |
| <b>Total Income</b>                 | <b>\$87,099</b> |               | <b>\$86,365</b>        |
| <br><b>Expenses</b>                 |                 |               |                        |
| General and Administrative          | \$3,511         |               | \$3,721                |
| USDA Oversight                      | <u>520</u>      |               | <u>540</u>             |
| <b>Subtotal</b>                     | <b>\$4,031</b>  |               | <b>\$4,261</b>         |
| <br><b>Program Budget</b>           |                 |               |                        |
| Domestic Marketing                  | \$63,669        | [76.6%]       | \$56,247 [68.5%]       |
| Communications and Member Relations | 10,946          | [13.0%]       | 9,180 [11.2%]          |
| Research and Evaluation             | 3,158           | [ 3.8%]       | 1,586 [ 1.9%]          |
| Budgeted but Not Allocated          | -               |               | 9,542 [11.6%]          |
| Export Enhancement                  | <u>5,450</u>    | [ 6.6%]       | <u>5,549</u> [ 6.8%]   |
| <br><b>Subtotal</b>                 | <b>\$83,068</b> | <b>[100%]</b> | <b>\$82,104 [100%]</b> |
| <br><b>Total Budget</b>             | <b>\$87,099</b> |               | <b>\$86,365</b>        |

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Source: Budgets from the National Dairy Board received and approved by USDA.

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**Appendix D-4**  
**National Fluid Milk Processor Promotion Board**  
**Actual Income and Expenses**  
**FY 2003–2004**  
(in \$000's)

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|  | 2003             | 2004             |
|--|------------------|------------------|
| <b>Income</b>                                    |                  |                  |
| Assessments                                      | \$105,992        | \$105,728        |
| Late-Payment Charges                             | 40               | 54               |
| Interest   | 370              | 252              |
| Other  | <u>142</u>       | <u>4</u>         |
| <b>Total Income</b>                              | <b>\$106,544</b> | <b>\$106,038</b> |
| <br><b>General Expenditures</b>                  |                  |                  |
| California Refund                                | \$10,300         | \$10,175         |
| Administrative Expenses                          | 1,967            | 2,152            |
| USDA Oversight                                   | 382              | 318              |
| USDA Assessment Verification                     | <u>49</u>        | <u>113</u>       |
| <b>Total General Expenditures</b>                | <b>\$12,698</b>  | <b>\$12,757</b>  |
| <br><b>Program Expenditures</b>                  |                  |                  |
| Media  | \$72,322         | \$69,508         |
| Public Relations                                 | 13,351           | 13,312           |
| Promotions                                       | 6,807            | 9,690            |
| Strategic Thinking                               | 1,360            | 1,864            |
| Medical Advisory Panel                           | 208              | 189              |
| American Heart Association                       | 120              | 240              |
| Research, Local Markets, and Program Measurement | 1,519            | 2,129            |
| Program Management                               | <u>334</u>       | <u>334</u>       |
| <b>Total Program Expenditures</b>                | <b>\$95,687</b>  | <b>\$97,166</b>  |
| <br>Excess of Revenue (Under) Over Expenditures  | (\$1,841)        | (\$3,887)        |
| Beginning of Year Fund Balance                   | \$18,288         | \$16,447         |
| End of Year Fund Balance                         | \$16,447         | \$12,560         |

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Source: Independent Auditor's Report of the National Fluid Milk Board and USDA records.

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**Appendix D-5**  
**USDA Oversight Costs for the**  
**National Fluid Milk Processor Promotion Board**  
**FY 2003–2004**

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|                                   | 2003                 | 2004                 |
|-----------------------------------|----------------------|----------------------|
| Salaries and Benefits             | \$283,721            | \$262,626            |
| Travel                            | 15,247               | 18,385               |
| Miscellaneous <sup>1</sup>        | 37,047               | 28,161               |
| Equipment                         | 1,177                | 2,910                |
| Printing                          | <u>7,554</u>         | <u>3,024</u>         |
| <b>USDA Oversight Total</b>       | <b>\$344,746</b>     | <b>\$315,106</b>     |
| <br><b>Independent Evaluation</b> | <br><b>\$28,769</b>  | <br><b>\$98,375</b>  |
| <br><b>Total<sup>2</sup></b>      | <br><b>\$373,515</b> | <br><b>\$413,481</b> |

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<sup>1</sup>Includes overhead, transportation, rent, communications, utilities, postage, contracts, supplies, photocopying, and Office of the General Counsel costs.

<sup>2</sup>The totals for USDA expenses differ slightly from those shown in Appendix D-4 because of end-of-year estimates, which are adjusted in the following fiscal year.

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Source: Monthly billings by Dairy Programs to the National Fluid Milk Board.

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**Appendix D-6**  
**National Fluid Milk Processor Promotion Board**  
**Approved Budgets**  
**FY 2004–2005**  
**(in \$000's)**

APPENDIX D

|                                     | 2004                     | 2005                   |
|-------------------------------------|--------------------------|------------------------|
| <b>Revenues</b>                     |                          |                        |
| Assessments                         | \$105,800                | \$104,900              |
| Interest                            | -                        | -                      |
| <b>Total Income</b>                 | <b>\$105,800</b>         | <b>\$104,900</b>       |
| Reserve Fund                        | 3,000                    | -                      |
| Carryover from Previous Fiscal Year | \$6,844                  | \$6,800                |
| <b>Total Available Funds</b>        | <b>\$115,644</b>         | <b>\$111,700</b>       |
| <b>Expenses</b>                     |                          |                        |
| General and Administrative          | \$2,140                  | \$2,102                |
| USDA Oversight                      | 380                      | 380                    |
| Independent Evaluation              | <sup>1</sup>             | <sup>1</sup>           |
| Processor Compliance                | <sup>2</sup>             | <sup>2</sup>           |
| Reserve/Contingency                 | 1,000                    | -                      |
| California Refund                   | 9,991                    | 10,300                 |
| <b>Subtotal</b>                     | <b>\$13,511</b>          | <b>\$12,782</b>        |
| <b>Program Budget</b>               |                          |                        |
| Advertising                         | \$71,701 [ 70.2%]        | \$62,450 [70.9%]       |
| Public Relations                    | 13,852 [ 13.6%]          | 10,275 [11.7%]         |
| Promotions                          | 11,933 [ 11.7%]          | 10,725 [12.2%]         |
| Strategic Thinking                  | 2,023 [ 2.0%]            | 1,900 [ 2.2%]          |
| Medical Advisory Panel              | 333 [ 0.3%]              | 208 [ 0.2%]            |
| Research                            | 2,159 [ 2.1%]            | 2,237 [ 2.5%]          |
| Program Management                  | -                        | 150 [ 0.2%]            |
| Program Measurement                 | 128 [ 0.1%]              | 155 [ 0.2%]            |
| <b>Subtotal</b>                     | <b>\$102,129 [ 100%]</b> | <b>\$88,100 [100%]</b> |
| Unallocated                         | 4                        | 10,818                 |
| <b>Total Budget</b>                 | <b>\$115,644</b>         | <b>\$111,700</b>       |

<sup>1</sup> Independent Evaluation costs are included in Program Measurement Expenses.

<sup>2</sup> Processor Compliance is included in General and Administrative Expenses.

Source: Budgets from the National Fluid Milk Board received and approved by USDA.